

P02000094204

Florida Department of State
Division of Corporations
Public Access System

Electronic Filing Cover Sheet

Note: Please print this page and use it as a cover sheet. Type the fax audit number (shown below) on the top and bottom of all pages of the document.

(((H05000168315 3)))

Note: DO NOT hit the REFRESH/RELOAD button on your browser from this page. Doing so will generate another cover sheet.

To:
Division of Corporations
Fax Number : (850) 205-0380

From:
Account Name : UCC FILING & SEARCH SERVICES, INC.
Account Number : I19980000054
Phone : (850) 681-6528
Fax Number : (850) 681-6011

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

05 JUL 12 PM 3:51

FILED

RECEIVED

05 JUL 12 AM 8:00

DIVISION OF CORPORATIONS

MERGER OR SHARE EXCHANGE

INTELIDENT MERGER CORP.

Certificate of Status	0
Certified Copy	1
Page Count	21
Estimated Charge	\$78.75

Electronic Filing Menu

Corporate Filing

Public Access Help

UCC SERVICES

Fax:8506816011

Jul 13 2005 10:09 P.02

850-205-0381

7/12/2005 4:10

PAGE 001/001

Florida Dept of State



FLORIDA DEPARTMENT OF STATE

Glenda E. Hood
Secretary of State

July 12, 2005

INTELIDENT MERGER CORP.
2502 N. ROCKY POINT DR., SUITE 1000
TAMPA, FL 33607

SUBJECT: INTELIDENT MERGER CORP.
REF: PG5000093239

We received your electronically transmitted document. However, the document has not been filed. Please make the following corrections and refile the complete document, including the electronic filing cover sheet.

The document heading should read: ARTICLES OF MERGER OF Intelident Merger Corp., into Coast Dental Services, Inc., if Coast Dental Services, Inc., is the surviving corporation.

Please return your document, along with a copy of this letter, within 60 days or your filing will be considered abandoned.

If you have any questions concerning the filing of your document, please call (850) 245-6869.

Teresa Brown
Document Specialist

FAX Aud. #: H05000168315
Letter Number: 005A00046023

RECEIVED

05 JUL 13 AM 8:40

DIVISION OF CORPORATIONS

Division of Corporations - P.O. BOX 6827 - Tallahassee, Florida 32314

UCC SERVICES

Fax:8506816011

Jul 13 2005 10:09

P.03
FILED

05 JUL 12 PM 3:51

SECRETARY OF STATE
TALLAHASSEE, FLORIDA

ARTICLES OF MERGER

OF

Coast Dental Services, Inc., a Florida Corporation,

and

Intelident Merger Corp., a Florida Corporation

Pursuant to Section 607.1105 of the Florida Business Corporation Act (the "Act"), the undersigned Florida corporations adopt the following Articles of Merger:

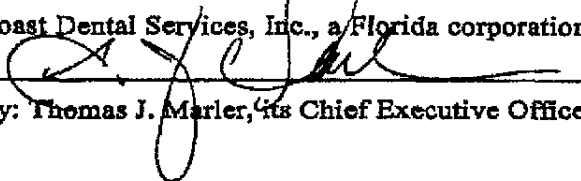
1. The Agreement and Plan of Merger dated June 27, 2005 among Coast Dental Services, Inc. (the "Surviving Corporation"), Intelident Solutions, Inc. and Intelident Merger Corp. (the "Merged Corporation") attached hereto as Exhibit "A" (the "Plan of Merger"), was approved and adopted by the board of directors and by shareholders of the Surviving Corporation on June 24, 2005 and July 11, 2005, respectively. The board of directors and the shareholders of the Merged Corporation approved and adopted the Plan of Merger on July 11, 2005.

2. The date and time of the effectiveness of the Merger shall be on the filing of these Articles of Merger with the Secretary of State of Florida in accordance with Section 607.1105(1)(b) of the Act.

IN WITNESS WHEREOF, undersigned corporations have executed these Articles of Merger on this 11th day of July, 2005.

SURVIVING CORPORATION

Coast Dental Services, Inc., a Florida corporation


By: Thomas J. Marler, its Chief Executive Officer

MERGED CORPORATION

Intelident Merger Corp., a Florida corporation



By: Thomas J. Marler, its Chief Executive Officer

Exhibit A

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

COAST DENTAL SERVICES, INC.

INTELIDENT SOLUTIONS, INC.

AND

INTELIDENT MERGER CORP.

DATED AS OF JUNE 27, 2005

AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER (the "Agreement") dated as of June 27, 2005, between **COAST DENTAL SERVICES, INC.**, a Florida corporation (the "Company"), **INTELIDENT SOLUTIONS, INC.**, a Delaware corporation (the "Parent") and **INTELIDENT MERGER CORP.**, a Florida corporation ("Mergerco").

WITNESSETH:

WHEREAS, a special committee of the disinterested members of the Board of Directors of the Company (the "Special Committee") and the Board of Directors of the Company have determined that it is advisable and in the best interests of the Company and the shareholders of the Company to enter into this Agreement providing for the merger (the "Merger") of Mergerco with and into the Company in accordance with the Florida Business Corporation Act (the "FBCA") so that the Company is the surviving corporation in the Merger and a wholly owned subsidiary of Parent, upon the terms and subject to the conditions set forth herein;

WHEREAS, upon the effectiveness of the Merger each share of Company common stock, other than shares of Company stock owned by the Diasti Family Limited Partnership (the "DFLP") which will be contributed to Parent immediately prior to effectiveness of the Merger (the "DFLP Shares"), will be exchanged for a cash payment;

WHEREAS, to facilitate the Merger, certain members of management of the Company and the DFLP, the majority shareholder of the Company, have formed and upon effectiveness of the Merger will own 100% of the issued and outstanding capital stock of Parent and Parent has formed and owns 100% of the issued and outstanding capital stock of Mergerco;

WHEREAS, for federal income tax purposes it is intended that the Merger qualify as a tax free reorganization under the provisions of Section 368(a) of the Internal Revenue Code, as amended (the "Code") and this Agreement is intended to be and is adopted as a "plan or reorganization" for purposes of Sections 354 and 361 of the Code;

WHEREAS, the Special Committee and the Board of Directors of the Company have each (i) determined that the consideration to be paid for each Share (as hereinafter defined) in the Merger is fair to and in the best interests of the unaffiliated shareholders of the Company and (ii) resolved to recommend approval of the Merger and adoption of this Agreement by the shareholders;

WHEREAS, simultaneously with the execution of this Agreement, the DFLP is entering into a voting agreement (the "Voting Agreement") pursuant to which the DFLP agrees to vote the DFLP Shares in favor of the Merger and for adoption of this Agreement;

WHEREAS, the Special Committee and the Board of Directors of the Company have each approved the Merger of Mergerco into the Company in accordance with the FBCA upon the terms and subject to the conditions set forth herein; and

WHEREAS, the Board of Directors of the Parent and Mergerco have approved the Merger in accordance with the FBCA upon the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and of the representations, warranties, covenants and agreements set forth herein, the parties hereto hereby agree as follows:

ARTICLE I

THE MERGER

1.1 The Merger; Conditions Precedent to Filing and Effective Time.

(a) Upon the terms and subject to the conditions of this Agreement and in accordance with the FBCA, at the Effective Time, Mergerco shall be merged into the Company. As a result of the Merger, the separate corporate existence of Mergerco shall cease and the Company shall be the surviving corporation (the "Surviving Corporation") and a wholly owned subsidiary of Parent following the effectiveness of the Merger.

(b) As soon as practicable following the satisfaction or waiver of the conditions set forth in Article VI of this Agreement, the parties hereto shall cause the Merger to be consummated by filing a certificate of merger with the Secretary of State of the State of Florida, in such form as required by and executed in accordance with the relevant provisions of the FBCA (the date and time of the filing of such certificate with the Secretary of State of the State of Florida (or such later time as is agreed to by the parties hereto and set forth therein) being the "Effective Time").

1.2 Closing. The closing of the Merger (the "Closing") will take place as soon as practicable after satisfaction or waiver of the conditions set forth in Article VI (the "Closing Date"), at the offices of Shumaker, Loop & Kendrick LLP, 101 E. Kennedy Boulevard, Suite 2800, Tampa, Florida 33602, unless another date or place is agreed to in writing by the parties hereto.

1.3 Effects of the Merger. The Merger shall have the effects set forth in the applicable provisions of the FBCA and other applicable law.

1.4 Articles of Incorporation; By Laws.

(a) At the Effective Time, the articles of incorporation of the Company as in effect immediately prior to the Effective Time shall be the certificate of incorporation of the Surviving Corporation until thereafter amended as provided therein and under the FBCA.

(b) At the Effective Time, the by-laws of the Company as in effect immediately prior to the Effective Time shall be the by-laws of the Surviving Corporation following the Merger and thereafter may be amended or repealed in accordance with their terms or the certificate of

incorporation of the Surviving Corporation following the Merger and as provided under the FBCA.

1.5 Directors and Officers. The directors of the Company immediately prior to the Effective Time, along with Thomas Marler, shall be the initial directors of the Surviving Corporation following the Merger, each to hold office in accordance with the articles of incorporation and by-laws of the Surviving Corporation following the Merger, and the officers of the Company immediately prior to the Effective Time shall be the initial officers of the Surviving Corporation following the Merger, in each case until the earlier of (i) their death, resignation or removal or (ii) such time as their respective successors are duly elected or appointed (as the case may be) and qualified.

ARTICLE II

EFFECT OF THE MERGER ON THE CAPITAL STOCK OF COMPANY AND MERGERCO

2.1 Effect on Capital Stock. As of the Effective Time, by virtue of the Merger and without any action on the part of the Company, Mergerco or any holder of any shares of common stock, par value \$.001 per share (the "Shares" or the "Company Common Stock"), or any holder of capital stock of Mergerco, the outstanding capital stock of Mergerco and the Company shall be converted or canceled as follows:

(a) **Conversion of Mergerco Stock.** Each share of Mergerco's common stock, par value \$.001 per share, issued and outstanding immediately prior to the Effective Time shall be converted into one share of common stock, par value \$.001 per share, of the Surviving Corporation (the "Mergerco Shares"), which shares shall be validly issued, fully paid and nonassessable.

(b) **Conversion of Company Common Stock.** Each share of Company Common Stock issued and outstanding immediately prior to the Effective Time (other than Mergerco Shares, the DFLP Shares and any Dissenting Shares (as defined in Section 2.3)) shall be converted into the right to receive an amount in cash equal to \$9.25 net to the holder, without interest (the "Merger Consideration").

(c) **Cancellation and Retirement of Company Common Stock.** All shares of Company Common Stock (other than the DFLP Shares and any Dissenting Shares) issued and outstanding immediately prior to the Effective Time shall no longer be outstanding and shall automatically be canceled and retired and shall cease to exist, and each holder of a certificate representing any such shares of Company Common Stock shall, to the extent such certificate represents such shares of Company Common Stock (other than the DFLP Shares and any Dissenting Shares), cease to have any rights with respect thereto, except the right to receive the Merger Consideration upon surrender of such certificate in accordance with Section 2.4.

(d) **DFLP Shares.** The DFLP Shares shall not be converted and shall remain issued and outstanding shares of common stock of the Company.

2.2 Company Options. At the Effective Time, each option (the "Company Option") to purchase shares of common stock of the Company outstanding immediately prior to the Effective Time shall become immediately vested. From and after the Effective Time, the Surviving Corporation shall, upon surrender of the option agreement representing such Company Option, exchange each Company Option with an exercise price per share of common stock of the Company less than the Merger Consideration for cash in the amount of the product of (a) the Merger Consideration minus such exercise price, multiplied by (b) the number of shares of common stock of the Company for which such Company Option is exercisable, payable in the form of a six-month promissory note in a form reasonably acceptable to Parent and Mergerco. From and after the Effective Time, the Surviving Corporation shall take all action reasonably necessary to cause all other Company Options outstanding as of the Effective Time to be terminated pursuant to the applicable stock option plans and agreements. The holders of all Company Options subject to exchange pursuant to this Section 2.2 are herein referred to as the "Eligible Option Holders." The Board of Directors of the Company (or, if appropriate, any committee administering the plan(s) pursuant to which the Company Options have been granted) shall adopt such resolutions, obtain such consents, or take such other actions as are required to effect the transactions contemplated by this Section 2.2.

2.3 Dissenters' Rights. Notwithstanding any provision of this Agreement to the contrary, any shares of Company Common Stock outstanding immediately prior to the Effective Time held by a holder who has demanded and perfected the right for appraisal of those shares of Company Common Stock in accordance with the applicable provisions of the FBCA and as of the Effective Time has not withdrawn or lost such right to such appraisal ("Dissenting Shares") shall not be converted into or represent a right to receive Merger Consideration, but the holder shall only be entitled to such rights as are granted by the FBCA. If a holder of shares of Company Common Stock who demands appraisal of those shares of Company Common Stock under the FBCA shall effectively withdraw or lose (through failure to perfect or otherwise) the right to appraisal, then, as of the Effective Time or the occurrence of such event, whichever last occurs, those shares of Company Common Stock shall be converted into and represent only the right to receive the Merger Consideration as provided in Section 2.1(c), without interest, upon the surrender of the certificate or certificates representing those shares of Company Common Stock. The Company shall give the Parent (i) prompt notice of any written demands for appraisal of any shares of Company Common Stock, attempted withdrawals of such demands, and any other instruments served pursuant to the FBCA received by the Company relating to shareholders' rights of appraisal and (ii) the opportunity to participate in all negotiations and proceedings with respect to demands for appraisal under the FBCA. The Company shall not, except with the prior written consent of the Parent, voluntarily make any payment with respect to any such demands for appraisals of common stock of the Company, offer to settle or settle any such demands or approve any withdrawal of any such demands.

2.4 Paying Agent.

(a) Prior to the Effective Time, the Company shall designate American Stock Transfer & Trust Company or a bank or trust company reasonably acceptable to Mergerco to act as agent for the holders of Shares in connection with the Merger (the "Paying Agent") to receive

the Merger Consideration to which holders of Shares shall become entitled pursuant to Section 2.1(b) and the certificates issuable in connection with Section 2.1(a). As of the Effective Time, the Parent shall cause the Surviving Corporation to deposit, or cause to be deposited, with the Paying Agent, for the benefit of the holders of shares of Company Common Stock, the aggregate amount of cash payable under Section 2.1(b) in exchange for shares of Company Common Stock pursuant to Section 2.4(b). Such funds shall be invested by the Paying Agent as directed by the Company or, after the Effective Time, the Surviving Corporation, provided that such investments shall be in obligations of or guaranteed by the United States of America, in commercial paper obligations rated A-1 or P-1 or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation, respectively, or in certificates of deposit, bank repurchase agreements or banker's acceptances of commercial banks with capital exceeding Five Hundred Million Dollars (\$500,000,000). Any net profit resulting from, or interest or income produced by, such investments will be payable to the Company and the Surviving Corporation.

(b) Promptly after the Effective Time, the Surviving Corporation shall cause to be mailed to each record holder, as of the Effective Time, of an outstanding certificate or certificates which immediately prior to the Effective Time represented Shares (the "Certificates"), a form of letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon proper delivery of the Certificates to the Paying Agent) and instructions for use in effecting the surrender of the Certificates for payment of the Merger Consideration therefor. Upon surrender to the Paying Agent of a Certificate, together with such letter of transmittal, duly completed and validly executed in accordance with the instructions thereto, and such other documents as may be required pursuant to such instructions, the holder of such Certificate shall be entitled to receive in exchange therefor the Merger Consideration for each Share formerly represented by such Certificate, and such Certificate shall then be canceled. No interest shall be paid or accrued for the benefit of holders of the Certificates on the Merger Consideration payable upon the surrender of the Certificates. If payment of the Merger Consideration is to be made to a person other than the person in whose name the surrendered Certificate is registered, it shall be a condition of payment that the Certificate so surrendered shall be properly endorsed or shall be otherwise in proper form for transfer and that the person requesting such payment shall have paid any transfer and other taxes required by reason of the payment of the Merger Consideration to a person other than the registered holder of the Certificate surrendered or shall have established to the satisfaction of the Surviving Corporation that such tax either has been paid or is not applicable.

(c) At any time following six months after the Effective Time, the Surviving Corporation shall be entitled to require the Paying Agent to deliver to it any funds (including any interest received with respect thereto) which had been made available to the Paying Agent and which have not been disbursed to holders of Certificates, and thereafter such holders shall be entitled to look to the Surviving Corporation (subject to abandoned property, escheat or other similar laws) only as general creditors thereof with respect to the Merger Consideration payable upon due surrender of their Certificates. Notwithstanding the foregoing, neither the Surviving Corporation nor the Paying Agent shall be liable to any holder of a Certificate for Merger Consideration delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

(d) At the Effective Time, the stock transfer books of the Company shall be closed and thereafter there shall be no further registration of transfers of shares of Company Common Stock on the records of the Company. From and after the Effective Time, the holders of Certificates evidencing ownership of Shares outstanding immediately prior to the Effective Time shall cease to have any rights with respect to such Shares except as otherwise provided for herein or by applicable law.

(e) If any certificate formerly representing shares of the Company Common Stock is lost, stolen or destroyed, the Paying Agent will issue the Merger Consideration deliverable in respect of, and in exchange for, such lost, stolen or destroyed certificate, as determined in accordance with this Section 2.4 only upon:

- (i) the making of an affidavit of such loss, theft or destruction by the person claiming such certificate to be lost, stolen or destroyed; and
- (ii) if required by the Paying Agent, the posting by such person of a bond in such amount as the Paying Agent may reasonably require as indemnity against any claim that may be made against it with respect to such certificate.

(f) The Surviving Corporation and the Paying Agent may deduct and withhold from the consideration otherwise payable under this Agreement to any holder of shares of the Company Common Stock such amounts as the Surviving Corporation or the Paying Agent is required to deduct and withhold under the United States Internal Revenue Code of 1986, as amended (the "Code"), or any provision of state, local or foreign tax law with respect to the making of such payment. Any amounts so withheld by the Surviving Corporation or the Paying Agent will be treated as having been paid to the holder of the shares of the Company Common Stock in respect of which such deduction and withholding was made for all purposes of this Agreement.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF MERGERCO AND THE PARENT

Mergerco and the Parent represent and warrant to the Company as follows:

3.1 Existence, Good Standing, Corporate Authority. Mergerco is a corporation duly incorporated, validly existing and with active status under the laws of the State of Florida. Mergerco has been incorporated solely for the purpose of merging with and into the Company and taking action incident to the Merger. Except for obligations or liabilities and activities contemplated by this Agreement, Mergerco will not have incurred any obligations or liabilities or engaged in any business activities of any kind prior to the Closing. Mergerco has all corporate power and authority to enter into this Agreement, to perform its obligations under this Agreement and to consummate the transactions contemplated by this Agreement. The Parent is a corporation duly organized, validly existing and in good standing under the laws of the State of

Delaware. The Parent has the power and authority to enter into this Agreement, to perform its obligations under this Agreement and to consummate the transactions contemplated by this Agreement.

3.2 Authorization of Agreement and Other Documents. The execution and delivery of this Agreement has been duly authorized by the Board of Directors of Mergerco and approved by the sole shareholder of Mergerco, and no other actions or proceedings on the part of Mergerco are necessary to authorize the execution, delivery or performance of this Agreement. This Agreement has been duly executed and delivered by Mergerco and is a valid and binding obligation of Mergerco, enforceable against Mergerco in accordance with its terms. The execution and delivery of this Agreement has been duly authorized by the general partner of the Management Group and no other actions or proceedings on the part of the Management Group are necessary to authorize the execution, delivery or performance of this Agreement. This Agreement has been duly executed and delivered by the Parent and is a valid and binding obligation of the Parent, enforceable against the Parent in accordance with its terms.

3.3 Non-Contravention. The execution, delivery and performance of this Agreement by Mergerco and the Parent and the consummation by Mergerco and the Parent of the transactions contemplated hereby to be consummated by each of them, will not (i) violate or conflict with any provision of any law applicable to Mergerco or the Parent or by which any property or asset of Mergerco or the Parent is bound, (ii) require the consent, waiver, approval, license or authorization of or any filing by Mergerco or the Parent with any public authority (other than in connection with or in compliance with the FBCA, (iii) conflict with or result in any breach of any provision of the organizational documents of Mergerco or the Parent in any respect, or (iv) violate, conflict with, result in a breach of or the acceleration of any obligation under, or constitute a default (or an event which with notice or the lapse of time or both would become a default) under, or give to others any right of termination, amendment, acceleration or cancellation of, or result in the creation of a lien or other encumbrance on any property or asset of Mergerco or the Parent pursuant to any provision of any indenture, mortgage, lien, lease, agreement, contract, instrument, order, judgment, ordinance, regulation or decree to which Mergerco or the Parent is subject or by which Mergerco or the Parent or any of their property or assets is bound; except in the case of clauses (i), (ii) and (iv) above where such violations, conflicts, breaches, defaults or the failure to give such notice, make such filings, or obtain such authorizations, consents or approvals, would not, individually or in the aggregate, have a Material Adverse Effect on Mergerco or the Parent, as the case may be. For purposes of this Agreement, a "Material Adverse Effect" when used with respect to Mergerco or the Parent, respectively, means a material impairment on the ability of such entity to perform any of its material obligations under this Agreement or to consummate the Merger.

3.4 Disclosure Documents. The proxy statement of the Company relating to the Shareholders Meeting (as hereinafter defined) in connection with the Merger shall not, on the date filed, on the date first mailed to shareholders, at the time of the Shareholders Meeting (as defined in Section 5.2) or at the Effective Time, contain any statement which, at such time and in light of the circumstances under which it shall be made, is false or misleading with respect to any material fact, or shall omit to state a material fact required to be stated therein or necessary in order to make the statements therein not false or misleading or necessary to correct any statement

in any earlier communication with respect to the solicitation of proxies for the Shareholders Meeting which has become false or misleading.

3.5 Brokers. No person is entitled to any brokerage or finder's fee or commission in connection with the transactions contemplated by this Agreement as a result of any action taken by or on behalf of Mergerco or the Parent.

3.6 No Sale; Disclosure. No member of the DFLP has any interest in selling any equity securities of the Company. Neither Mergerco nor any member of the DFLP has any present plan or intention to engage in, or cause the Company or any subsidiary or affiliate of the Company to engage in, subsequent to the Effective Time, any extraordinary corporate transaction such as a merger, reorganization or liquidation or a sale or transfer of substantially all of its assets to a third party (an "Extraordinary Transaction"). There have been no proposals, expressions of interest or offers made by a third party with respect to any Extraordinary Transaction from January 1, 2004 through the date hereof.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to Mergerco as follows:

4.1 Organization, Standing and Qualification. The Company (i) is a corporation duly organized, validly existing and with active status under the laws in the jurisdiction of its incorporation; and (ii) has all requisite corporate power and authority to own or lease and operate its properties and assets, and to carry on its business as now conducted and as currently proposed to be conducted, except where the failure to have such power and authority would not have a Material Adverse Effect (as hereinafter defined) on the Company, and to consummate the transactions contemplated hereby.

4.2 Capitalization. The total authorized capital stock of the Company consists of (i) 2,000,000 shares of Preferred Stock, par value \$.001 per share, no shares of which are issued and outstanding as of the date of this Agreement; and (ii) 50,000,000 shares of Company Common Stock, par value \$.001 per share, of which 2,139,110 shares are issued and outstanding and 706,200 shares are owned by Shareholders other than the DFLP on the date of this Agreement. There are no shares of capital stock of the Company of any other class authorized, issued or outstanding. Each outstanding share of Company Common Stock is duly authorized, validly issued, fully paid and nonassessable, and free of any preemptive or similar rights.

4.3 Authorization of Agreement. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by the Board of Directors of the Company and no other corporate action on the part of the Company is necessary to authorize the execution, delivery or performance of this Agreement, except for the Requisite Shareholder Approval (as defined in Section 5.2). This Agreement is a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

4.4 Non-Contravention. The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby will not (i) violate or conflict with any provision of any law applicable to the Company or by which any property or asset of the Company is bound, except where such violation or conflict would not have a Material Adverse Effect on the Company, (ii) require any material consent, waiver, approval, license, qualification, order or authorization of or any filing by the Company with any public authority (other than in connection with or in compliance with the provisions of the FBCA, or (iii) conflict with or result in any breach of any provision of the Certificate of Incorporation or By-laws of the Company in any respect. For purposes of this Agreement, a "Material Adverse Effect" when used with respect to the Company means (a) any change or effect that is, individually or in the aggregate, materially adverse to the business, operations, assets, liabilities, financial condition or results of operations of the Company or (b) a material impairment on the ability of the Company to perform any of its material obligations under this Agreement or to consummate the Merger.

4.5 No Brokers. The Company has not entered into any contract, arrangement or understanding with any person or firm which may result in an obligation of the Company, Parent or Mergerco to pay any finder's fee, brokerage or agent's commissions or other like payments in connection with negotiations leading to this Agreement or the consummation of the transactions contemplated hereby, except that the Special Committee has retained Capitalink L.C. (the "Financial Advisor"), the arrangements with which have been disclosed in writing to Parent and Mergerco prior to the date hereof.

4.6 Disclosure Documents. The information provided by the Special Committee or its advisors in writing with respect to its deliberations and recommendations specifically for inclusion in the proxy statement to be sent to the shareholders of the Company in connection with the Shareholders Meeting (such proxy statement, as amended or supplemented, is herein referred to as the "Proxy Statement"), shall not, at the date the Proxy Statement (or any amendment thereof or supplement thereto) is first mailed to shareholders, at the time of the Shareholders Meeting and at the Effective Time, be false or misleading with respect to any material fact, or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of proxies for the Shareholders Meeting which has become false or misleading.

ARTICLE V

COVENANTS

5.1 Interim Operations. During the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement or the Closing, except as contemplated hereby, unless Mergerco and Parent have consented in writing thereto (which consent shall not be unreasonably withheld), the Special Committee shall not:

- (i) enter into any material agreement or transaction on behalf of the Company other than as contemplated by this Agreement;
- (ii) incur any indebtedness for borrowed money or assume, endorse, guarantee or otherwise cause the Company to become responsible for any such indebtedness; or
- (iii) take any other action inconsistent with the authorizing resolutions adopted by the Board of Directors in establishing the Special Committee.

5.2 Shareholders Meeting. The parties will cooperate to cause the Company, acting through its Board of Directors, to (i) duly call, give notice of, convene and hold a meeting of its shareholders for the purpose of adopting this Agreement (the "Shareholders Meeting") and (ii) (A) except to the extent modified in accordance with this Section 5.2, include in the Proxy Statement the unanimous recommendations of the Board of Directors and the Special Committee that the shareholders of the Company vote in favor of the adoption of this Agreement and include the written opinion of the Financial Advisor that the consideration to be received by the shareholders of the Company (other than DFLP or any other affiliate of the Company) pursuant to the Merger is fair to such shareholders from a financial point of view and (B) use its reasonable efforts to obtain the approval of a majority of the holders of the outstanding shares of Company Common Stock entitled to vote thereon, including the DFLP Shares (the "Requisite Shareholder Approval"). The Special Committee shall not withdraw, amend or modify in a manner adverse to Mergerco such recommendation (or announce publicly its intention to do so) provided that the Special Committee shall be permitted to withdraw, amend or modify its recommendation (or publicly announce its intention to do so) in a manner adverse to Mergerco or Parent if the Special Committee shall have concluded in good faith, after consultation with its outside legal counsel, that the Special Committee is required to withdraw, amend or modify such recommendation in order to comply with its fiduciary duties to the shareholders of the Company under applicable law.

5.3 Proxy Statement. The parties will cooperate to cause, as soon as practicable, the Company to prepare and mail to the Company's shareholders, the Proxy Statement with respect to the Shareholders Meeting. Mergerco, Parent and the Company will cooperate with each other in the preparation of the Proxy Statement.

5.4 Publicity. Neither party hereto shall make any press release or public announcement with respect to this Agreement, the Merger or the transactions contemplated hereby without the prior written consent of the other party hereto.

5.5 Further Action; Reasonable Best Efforts. Upon the terms and subject to the conditions hereof, each of the parties hereto shall use its reasonable efforts to take, or cause to be taken, all action, and to do or cause to be done, and to assist and cooperate with the parties in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement and the Voting Agreement, including but not limited to (i) cooperation in the preparation and mailing of the Proxy Statement and any amendments thereof, (ii) determining whether any filings are required to be made or consents, approvals, waivers, licenses, permits or authorizations are required to be obtained under any applicable law or regulation or from any governmental entities, in connection with the transactions contemplated by this Agreement, and (iii) promptly making any such filings, furnishing information required in connection therewith and timely seeking to obtain any such consents, approvals, permits or authorizations.

5.6 No Solicitations. Neither the Company nor the Special Committee shall (whether directly or indirectly through advisors, agents or other intermediaries), nor shall the Company or the Special Committee authorize or permit any of the Company's officers, directors, agents, representatives, advisors or subsidiaries to, actively solicit, initiate, encourage or take any action knowingly to facilitate the submission of any inquiries, proposals or offers (whether or not in writing) from any person (other than the DFLP) relating to, other than the transactions contemplated by this Agreement, (i) any acquisition or purchase of the assets of the Company or of any class of equity securities of the Company, (ii) any tender offer (including a self tender offer) or exchange offer that if consummated would result in any person beneficially owning any class of equity securities of the Company, (iii) any merger, consolidation, business combination, sale of substantially all assets, recapitalization, liquidation, dissolution or similar transaction involving the Company, or (iv) any other transaction the consummation of which would or would reasonably be expected to impede, interfere with, prevent or materially delay the Merger or which would or would reasonably be expected to materially dilute the benefits to the Parent or Mergerco of the transactions contemplated by this Agreement (collectively, "Transaction Proposals").

5.7 Indemnification of Officers and Directors. The parties agree that, for six (6) years after the effective time of the Merger, the Surviving Corporation will maintain the Company's current provisions in its articles of incorporation and bylaws with respect to indemnification of officers and directors.

5.8 Officers and Directors Liability Insurance. The parties agree that, for six (6) years after the effective time of the Merger, the Surviving Corporation will maintain officers' and directors' liability insurance for each person that is a member of the board of directors as of the date of this Agreement.

ARTICLE VI

CONDITIONS

6.1 Conditions to Each Party's Obligation to Effect the Merger. The respective obligations of each party to effect the Merger shall be subject to the fulfillment at or prior to the Effective Time of each of the following conditions (unless waived by each of the parties hereto in accordance with the provisions of Section 7.4 hereof):

(a) This Agreement shall have been adopted by the affirmative vote of the holders of a majority of the outstanding shares of the Company's common stock.

(b) No preliminary or permanent injunction or other order, decree, statute, rule or regulation shall have been entered by any federal or state court or federal, state, local or other governmental authority which prevents the consummation of the Merger shall have been issued and remain in effect.

(c) The Company shall have the necessary cash on hand and financing to pay the Merger Consideration in accordance with the statutory restrictions and requirements for distributions as set forth under the FBCA and to provide working capital for a reasonable period after the consummation of the Merger.

(d) The Special Committee shall have received a fairness opinion from the Financial Advisor in form and substance reasonably satisfactory to the parties and such opinion shall not have been modified or withdrawn.

(e) The parties hereto shall have obtained all required consents and authorizations, except those consents and authorizations the failure to obtain which would not have a Material Adverse Effect on the Company.

(f) The Company shall not have received notice from unaffiliated or outside holders of more than twenty percent (20%) of the outstanding Company Common Stock held by unaffiliated or outside holders that such holders are exercising their dissenters' rights under the FBCA.

(g) There shall not have occurred since the date of this Agreement a Material Adverse Effect on the Company, determined without regard to whether such charge constitutes a breach of representation or warranty.

(h) The payment of the Merger Consideration shall not be likely to cause a violation or breach by the Company of any bank credit facility covenants applicable to the Company.

6.2 Conditions to the Company's Obligations to Effect the Merger. The obligation of the Company to effect the Merger is subject to the satisfaction (or waiver) at or prior to the Closing Date of each of the following additional conditions:

(a) **Accuracy of Representations and Warranties.** All representations and warranties made by Mergerco herein shall be true and correct in all material respects on the Closing Date, with the same force and effect as though such representations and warranties had been made on and as of the Closing Date, except for representations and warranties that are made as of a specified date or time, which shall be true and correct in all material respects only as of such specific date or time.

(b) **Compliance with Covenants.** Mergerco shall have performed in all material respects all obligations and agreements, and complied in all material respects with covenants, contained in this Agreement to be performed or complied with by it prior to or on the Closing Date.

(c) **Requisite Shareholder Approval.** This Agreement shall have been adopted by the Requisite Shareholder Approval.

(d) **Officer's Certificates.** The Company shall have received certificates of Mergerco, dated as of the Closing Date, signed by an executive officer of Mergerco to evidence satisfaction of the conditions set forth in Section 6.2(a) and (b).

(e) **No Order.** No governmental entity of the United States or any state thereof shall have enacted, issued, promulgated, enforced or entered any law, rule, regulation, executive order, decree, injunction or other order (whether temporary, preliminary or permanent) which is then in effect and has the effect of making the Merger by Mergerco or any of its affiliates illegal or otherwise restricting, preventing or prohibiting consummation of any of the transactions contemplated by this Agreement.

6.3 Conditions to Mergerco's and Parent's Obligations to Effect the Merger. The obligation of Mergerco and Parent to effect the Merger is subject to the satisfaction (or waiver) at or prior to the Closing Date of each of the following additional conditions:

(a) **Accuracy of Representations and Warranties.** All representations and warranties made by the Company herein shall be true and correct in all material respects on the Closing Date, with the same force and effect as though such representations and warranties had been made on and as of the Closing Date, except for representations and warranties that are made as of a specified date or time, which shall be true and correct in all material respects only as of such specific date or time.

(b) **Compliance with Covenants.** The Company shall have performed in all material respects all obligations and agreements, and complied in all material respects with covenants, contained in this Agreement to be performed or complied with by it prior to or on the Closing Date, except where the failure of the Company to so perform or comply is the result of willful action on the part of Mergerco or the Parent or any of their respective affiliates or agents.

(c) **Officer's Certificate.** Mergerco shall have received a certificate of the Company, dated as of the Closing Date, signed by the Chief Financial Officer of the Company to evidence satisfaction of the conditions set forth in Section 6.3(a) and (b).

(e) **No Order.** No government entity of the United States or any state thereof shall have enacted, issued, promulgated, enforced or entered any law, rule, regulation, executive order, decree, injunction or other order (whether temporary, preliminary or permanent) which is then in effect and (A) has the effect of making the acquisition of Shares by Mergerco or any of its affiliates illegal or otherwise restricting, preventing or prohibiting consummation of the transactions contemplated by this Agreement, or (B) restrains, prohibits or imposes substantial restrictions, penalties or damages on Mergerco, the Company, or their affiliates with respect to (or any other materially adverse relief or remedy in connection with) the consummation of the transactions contemplated by this Agreement, and there shall be no action pending before any such entity that could reasonably be expected to have any of the foregoing effects.

ARTICLE VII

TERMINATION AND WAIVER

7.1 Termination. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Effective Time, before or after the adoption of this Agreement by the Company's shareholders:

- (a) By mutual written consent of Mergerco and the Company;
- (b) By the Company, if any court of competent jurisdiction or other governmental authority located or having jurisdiction within the United States shall have issued an order, injunction, decree, judgment or ruling or taken any other action restraining, enjoining or otherwise prohibiting the Merger and such order, injunction, decree, judgment, ruling or other action is or shall have become final and nonappealable;
- (c) By the Company if Mergerco or the Parent materially breaches any of its representations, warranties, covenants or agreements contained in this Agreement and, with respect to any such breach that is reasonably capable of being remedied, the breach is not remedied prior to 20 days after the Company has furnished the Parent with written notice of such breach (unless such failure is caused by or results from the breach by the Company of any of its representations, warranties, covenants or agreements contained in this Agreement).
- (d) By Mergerco, if the Company breaches any of its representations, warranties, covenants or agreements contained in this Agreement and such breach is reasonably likely to have a Material Adverse Effect on the Company and, with respect to any such breach that is reasonably capable of being remedied, the breach is not remedied prior to 20 days after Mergerco has furnished the Company with written notice of such breach (unless such failure is caused by or results from the breach by Mergerco or the Parent of any of their respective representations, warranties, covenants or agreements contained in this Agreement).
- (e) By Mergerco or the Special Committee for the Company, if the Special Committee or the Board of Directors shall have withdrawn or modified in any manner adverse to

Mergerco its approval of this Agreement or the Merger or its recommendation that the shareholders of the Company vote to adopt this Agreement.

(f) By the Company or Mergerco if the Merger has not been consummated on or prior to October 1, 2005 or such later date as agreed to in writing by the parties hereto; provided that the right to terminate this Agreement under this Section 7.1(g) will not be available to any party whose failure to fulfill any obligation under this Agreement has been the cause of, or resulted in, the failure of the Merger to occur on or prior to such date.

(g) By the Company or Mergerco if any condition to such party's obligation to effect the Merger cannot be satisfied and the inability to satisfy such condition is not reasonably curable.

(h) By Mergerco if there has been any event, occurrence or development or state of circumstances or facts which has had, or is reasonably likely to have, individually or in the aggregate, a Material Adverse Effect on the Company (unless such event, occurrence, development or state of circumstances is caused by the willful action of Mergerco, the Parent or any of their respective affiliates or agents).

(i) By Mergerco or the Special Committee for the Company, if the Requisite Shareholder Approval shall not be obtained at the Shareholders Meeting.

7.2 Effect of Termination and Abandonment. In the event of termination of this Agreement and the abandonment of the Merger pursuant to this Article VII, all obligations of the parties hereto shall terminate, except the obligations of the parties pursuant to the provisions of Sections 5.5, 7.2 and 8.6, which obligations shall survive the termination of this Agreement. Nothing contained in this Section 7.2 shall relieve any party from liability for breach of this Agreement.

7.3 Extension; Waiver. At any time prior to the Effective Time, the Company, by action taken by the Special Committee, and any other party hereto, by action taken by its Board of Directors (in the case of Parent or Mergerco) may, to the extent legally allowed, (a) extend the time for the performance of any of the obligations or other acts of the other parties hereto; (b) waive any inaccuracies in the representations and warranties made to such party contained herein or in any document delivered pursuant hereto; and (c) waive compliance with any of the agreements or conditions for the benefit of such party contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party.

ARTICLE VIII

GENERAL PROVISIONS

8.1 Nonsurvival of Representations, Warranties and Agreements. The representations and warranties in this Agreement and in any instrument delivered pursuant hereto shall expire at the Effective Time or upon the termination of this Agreement pursuant to Article

VII, as the case may be. All agreements in this Agreement to be fully performed prior to the Effective Time shall terminate at the Effective Time and all other agreements shall survive the Effective Time. Except as expressly provided otherwise in Section 7.2, all agreements in this Agreement shall terminate upon the termination of this Agreement pursuant to Article VII.

8.2 Notices. All notices required or permitted to be given hereunder shall be in writing and may be delivered by hand, by facsimile, by nationally recognized private courier, or by United States mail. Notices delivered by mail shall be deemed given five (5) business days after being deposited in the United States mail, postage prepaid, registered or certified mail. Notices delivered by hand by facsimile, or by nationally recognized private carrier shall be deemed given on the day of receipt; provided, however, that a notice delivered by facsimile shall only be effective if such notice is also delivered by hand, or deposited in the United States mail, postage prepaid, registered or certified mail, on or before two (2) business days after its delivery by facsimile. All notices shall be addressed as follows:

If to Parent or Mergerco:

2502 Rocky Point Drive North, Suite 1000
Tampa, Florida 33607
Attn.: Thomas J. Marler
Facsimile: (813) 636-0462

With copies to:

Shumaker, Loop & Kendrick, LLP
101 East Kennedy Blvd., Suite 2800
Tampa, FL 33602
Attn: Darrell C. Smith, Esquire
Facsimile: (813) 229-1660

If to the Company or Special Committee:

Special Committee of the Board of Directors
c/o Peter Sontag
2519 McMullen Booth Road
Suite 510-340
Clearwater, FL 33761
Facsimile: (813) 316-2386

With copies to:

Holland & Knight LLP
100 North Tampa Street, Suite 4100
Tampa, Florida 33601
Attn: Robert Grammig, Esquire
Facsimile: (813) 229-0134

or to such other address as any party shall specify by written notice so given.

8.3 Assignment, Binding Effect. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other parties, except that Mergerco may assign all or any of its rights and obligations hereunder to any direct or indirect wholly owned subsidiary or subsidiaries of Mergerco, provided that no such assignment shall relieve the assigning party of its obligations hereunder if such assignee does not perform such obligations. Subject to the preceding sentence, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and assigns.

8.4 Entire Agreement. This Agreement, the Voting Agreement and any exhibits hereto constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements and understandings among the parties with respect thereto. No addition to or modification of any provision of this Agreement shall be binding upon any party hereto unless made in writing and signed by all parties hereto.

8.5 Amendment. This Agreement may be amended by the parties hereto at any time prior to the Effective Time, before or after the adoption of this Agreement by the shareholders of the Company, but after any such shareholder approval, no amendment shall be made which by law requires the further approval of shareholders without obtaining such further approval. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

8.6 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

8.7 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

8.8 Headings. Headings of the Articles and Sections of this Agreement are for the convenience of the parties only and shall be given no substantive or interpretive effect whatsoever.

8.9 Interpretation. In this Agreement, unless the context otherwise requires, words describing the singular number shall include the plural and vice versa, and words denoting any gender shall include all genders and words denoting natural persons shall include corporations and partnerships and vice versa.

8.10 Waivers. Except as provided in this Agreement, no action taken pursuant to this Agreement, including, without limitation, any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representations, warranties, covenants or agreements contained in this Agreement. The waiver by

any party hereto of a breach of any provision hereunder shall not operate or be construed as a waiver of any prior or subsequent breach of the same or any other provision hereunder.

8.11 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

8.12 Enforcement of Agreement. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement was not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of competent jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.


8.13 Expenses. Whether or not the Merger is consummated, all costs and expenses incurred by any party in connection with this Agreement (including, without limitation, the fees and expenses of advisors, accountants and legal counsel) shall be paid by the Company, except in the event of a breach of this Agreement by Parent or Mergerco.

8.14 Third Party Beneficiaries. Except with respect to Sections 5.8 and 5.9 of this Agreement for which the directors and officers of the Company and other specified beneficiaries are third party beneficiaries, no provision of this Agreement is intended to, nor shall, confer any third party beneficiary rights or remedies upon any person other than the parties hereto.

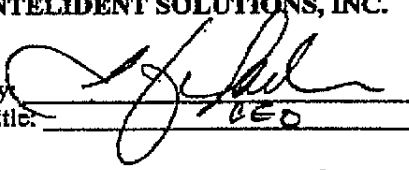
[The remainder of this page is blank and the signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement and caused the same to be duly delivered on their behalf on the day and year first written above.

COAST DENTAL SERVICES, INC.

By: 
Title: Chairman

INTELIDENT SOLUTIONS, INC.

By: 
Title: CEO

INTELIDENT MERGER CORP.

By: 
Title: CEO